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1977

**Director of Central Intelligence  
Report on  
The Intelligence Community**

George Bush  
Director of Central Intelligence

*Prepared by the Intelligence Community Staff  
for the Director of Central Intelligence*

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REPORT ON  
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## INTRODUCTION

### A. Purpose of the Report

This is the first comprehensive report on the Intelligence Community presented to the President and the Congress by the Director of Central Intelligence. It is designed to provide an overview of the context, significant trends and major challenges confronting the United States national foreign intelligence effort from the DCI's perspective on the Intelligence Community as a whole.\*

As a summing up of the year past, both problems and accomplishments, and more particularly a projection of what lies ahead, it reflects my view of the new or evolving challenges and requirements stemming from economic, political, technological and other changes in the environment. It is intended to inform the President, the Congress, and other interested agencies of the Government of both the substance and the philosophy and outlook of my stewardship as Director of Central Intelligence. I view this report as also responding to Congressional needs for general information in fulfillment of its oversight responsibilities and to needs of the Executive Branch in ensuring control and coordination of intelligence activities.

The report is being issued in conjunction with the presentation of the National Foreign Intelligence Program (NFIP) to the Congress to

\* The term "intelligence," wherever used in this report, should be taken to mean foreign intelligence unless otherwise specified. Executive Order 11905 dated 19 February 1976 defined the Intelligence Community as consisting of the following elements: the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, special offices within the Department of Defense for the collection of intelligence through reconnaissance programs, intelligence elements of the military services, and intelligence elements of the Departments of State and Treasury, of the Federal Bureau of Investigation, and of the Energy Research and Development Administration.

complement the proposed national foreign intelligence budget itself and the efforts of Community managers in the NFIP development process, and to serve as a point of departure for the budget and oversight hearings to follow.

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### B. The Purpose of United States Foreign Intelligence

Our national foreign intelligence purpose\*\* is clear and enduring. It is, quite simply:

To meet the requirements of United States Government policy makers for comprehensive, timely and accurate intelligence on the whole range of current and projected foreign military, economic, political, psychological and geographical factors which are significant for policy formulation,

To provide intelligence support for the conduct of international negotiations, and

To provide intelligence input for operational decisions relating to national security and the national welfare.

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### C. The Contemporary Perspective

In the midst of the Community's efforts to achieve this purpose, a particular aspect of the endeavor has concerned us greatly over the past year. I am referring to the critical elements which tie together what we seek to do and its achievement. Several things stand out in my mind:

— The realities of the contemporary world, while they may be known in general outline

\*\* For further explication of the purpose of United States foreign intelligence, see the publication "Goals and Objectives of the Director of Central Intelligence for Fiscal Year 1977."

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to a substantial portion of the American people, are not appreciated in detail by a large number. There is not, in the absence of overt hostilities directly involving the United States, broad understanding of the critical importance of intelligence to the national security. This is particularly the case with regard to intelligence on other than military matters.

— At the same time, paradoxically, intelligence plays a more important and creative role than ever before in maintaining peace as well as national security. This is especially apparent in the verification of compliance with arms control pacts and similar international agreements, such as those governing nonproliferation of nuclear weapons. Without confidence that we could rely upon good intelligence in such matters, in fact, the United States would literally be unable to enter into agreements of this kind.

— In an era in which international economic factors may represent threats to the national security as grave as those posed by some military factors, popular attitudes may impact on decisions regarding what information is to be collected, how it should be collected, how it should be used once obtained, and the extent to which it should be kept secret.

— Public attitudes toward secrecy are sharpening these problems. There is a persistent tension which results from our national style and preference for openness and straightforwardness in all dealings of the Government.

While it is generally recognized that secrecy has a legitimate place in intelligence operations, in implementing the national foreign intelligence program we must deal with a number of difficult problems:

— Demonstrating to the satisfaction of the American people, through the President and

the Congress, that the national foreign intelligence program is necessary and sufficient, and that it meets acceptable standards of legality, propriety and efficiency.

— Meeting the needs of those charged with intelligence oversight responsibilities in both Executive and Legislative Branches for substantive and procedural information, and doing this without compromising necessary security.

— Protecting intelligence sources and methods as I am charged to do by law.

These concerns with effectiveness, legitimacy and secrecy have commanded a great deal of my energies and attention over much of the last year, as they have those of many other concerned leaders in the Congress, the Executive Branch, and throughout the Intelligence Community. But I have also been much involved with another equally difficult and persistent problem, that of gauging the adequacy of the resources and efforts we devote to our intelligence mission.

The management of intelligence entails problems similar to those regarding military forces, but with some additional complexities. The narrow base of knowledge and understanding of intelligence operations, and the limitations imposed by necessary secrecy on providing information to those not officially involved, make rationalization more difficult. In brief, the additional complexities are:

— Shortfalls in intelligence are difficult to perceive and to measure. The only way to tell what exists is to look, and without looking it is hard to know what risks are entailed in not doing so.

— The value of negative intelligence is hard to gauge. The lookout who rouses the sleeping camp in time to repel an enemy's pre-dawn attack proves his worth. The value of national systems which monitor vast areas

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in which no significant adversary activity is taking place is more abstract and more difficult to estimate and to appreciate.

- Shortfalls in intelligence have second and third order consequences which are difficult to foresee and which may be compounding. Military force sizing depends heavily on accurate and timely intelligence. Shortfalls in intelligence performance which undercut

the input into force planning have potentially disastrous effects.  25X1

- Reliance upon adequate intelligence is most pronounced, and probably more crucial, in policy planning. The absence of needed intelligence could lead to decisions establishing objectives which are unrealistic or which are unsuitable in that they are either more ambitious or more conservative than they ought to be.  25X1

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